



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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### **4 VAC 25-35 – Certification Requirements for Mineral Miners**

#### **Department of Mines, Minerals, and Energy**

May 14, 2003

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

The General Assembly allows the Board of Mineral Mining Examiners (BMME) in §45.1-161.292:19 of the Code of Virginia to promulgate regulations requiring certification of persons who work in mineral mines and persons whose duties and responsibilities in relation to mineral mining require competency, skill, or knowledge in order to perform their task in a manner that protects the health and safety of persons and property.

The proposed regulation (1) removes a provision in the existing regulation that allows applicants for certification as mineral mining electricians to get certified based solely on experience and (2) requires surface blasters to have either taken first-aid training that meets federal standards or attended three hours of first-aid training from an organization using nationally recognized standards, instead of the Mine Safety and Health Administration (MSHA) 5000-23 form currently required.

The regulation also proposes an administrative change that allows for alternative forms of payment for the replacement of lost or destroyed certificates. It also removes redundant language, makes corrections, adds clarifying language, and makes the existing regulation consistent with the Code of Virginia.

## **Estimated Economic Impact**

(1) In order to be certified as a mineral mining electrician, the proposed regulation requires that applicants either (i) hold a valid electrical journeyman certification issued by the Department of Professional and Occupational Regulation or (ii) have work experience equivalent to that required for a journeyman card and take the mineral mining electrician certification examination. Under the existing regulation, individuals could be certified based solely on work experience as long as the Department of Mines, Minerals, and Energy (DMME) ruled that the work experience they possessed was adequate. The proposed regulation deletes language that allows DMME to consider work experience in lieu of a valid electrical journeyman card and in lieu of taking the certification examination.

According to DMME, work experience was considered in lieu of a journeyman card and in lieu of the examination in order to facilitate the transition from certificates issued by the Board of Examiners (BOE) to certificates issued by BMME. Prior to 1994 mineral mining certifications were issued by BOE. Between 1994 and 1999, BOE certification was replaced by new BMME certification. During the transition period, applicants for mineral mining certification that did not hold a valid electrical journeyman card but had ten years work experience were granted certification without having to take the certification examination. Since the transition period ended in 1999, the work experience clause is no longer relevant and is thus being removed.

Certifying individuals without adequate qualifications as mineral mining electricians could create hazardous working conditions in mineral mines. Moreover, apart from endangering the health of fellow mine workers, these individuals could also pose a threat to public health and safety and/or environment through their activities. The aim of the certification process is to enforce certain compulsory minimum standards for mineral mining electricians and reduce the risk to the public and the environment from their activities. The certification requirements can be viewed as the compliance cost incurred by mineral mining electricians to ensure that they do

not jeopardize public health and safety and the environment. In addition, most mining businesses will probably find it in their interest to have highly qualified individuals working in areas where hazards from electric fires can be catastrophic. These minimum standards may not be binding in most cases since firms would choose to use journeyman electricians or electricians who have taken and passed the certification examination even if they were not required.

In this instance, the proposed change is not likely to have a significant economic impact. According to DMME, no certifications have been issued to individuals based solely on work experience since 1999. The proposed change is intended to make the regulation consistent with current practice.

(2) The proposed regulation requires that all individuals applying to be certified as surface blasters have either taken first-aid training that meets federal standards or attended three hours of first-aid training from an organization using nationally recognized standards. This would replace the existing first-aid requirement that all applicants possess a valid MSHA 5000-23 form that indicates that the applicant has completed first-aid training.

Under current policy, applicants for certification as surface blasters could submit the MSHA 5000-23 form under 30 CFR Part 46 (Training and Retraining of Miners Engaged in Shell Dredging or Employed at Sand, Gravel, Surface Stone, Surface Clay, Colloidal Phosphate, or Surface Limestone Mines) or under 30 CFR Part 48 (Training and retraining of miners). While Part 48 specifies two hours of first aid training, there are no such specifications under Part 46. Moreover, while Part 48 covers first-aid training requirements needed in order to operate at coal mine sites, Part 46 does not. Under the proposed regulation, individuals applying for certification as surface blasters would need to get first aid training under Part 48 or three hours of training at an organization using nationally recognized standards.

The change is being proposed in order to ensure that individuals certified as surface blasters have adequate first-aid training. The extent of first-aid training taken by individuals holding a valid MSHA 5000-23 form under Part 46 is not clear. On the other hand, individuals holding a valid MSHA 5000-23 form under Part 48 are required to have at least two hours of first-aid training. Moreover, the change is being proposed in order to allow certified surface

blasters to operate at coal and non-coal mine sites. Currently, individuals holding a valid MSHA 5000-23 form under Part 46 are not allowed to work at coal mine sites.

There are no studies available at this time on the benefits of providing first-aid training and/or different levels of first-aid training to surface blasters. Assuming that there are some health and safety benefits from having surface blasters better qualified to provide first-aid, the proposed change is likely to produce some economic benefits. However, to the extent that the proposed change makes it harder to be certified as a surface blaster, it will also impose additional costs on firms and individuals seeking certification. Individuals certified as surface blasters, regardless of whether they seek to work at coal mine sites or not, would be required to meet the new first-aid requirements and get at least two hours of training. The net economic impact will depend on whether there are any benefits of requiring surface blasters to meet additional first-aid training requirements and whether these benefits outweigh the additional costs associated with getting certified.

### **Businesses and Entities Affected**

The proposed regulation will affect businesses and individuals involved in the mineral mining industry. Applicants for certification as surface blasters will now be required to meet additional first-aid training requirements. Consequently, businesses hiring surface blasters may find it more expensive to do so. Allowing alternative forms of payment for the replacement of lost or destroyed certificates is likely to make it easier for businesses and individuals to apply for a replacement certificate.

### **Localities Particularly Affected**

The proposed regulation will affect all localities in the Commonwealth. However, it is particularly relevant to localities dependent on the mineral mining industry.

### **Projected Impact on Employment**

The proposed regulation may have a small negative impact on employment. Some applicants for certification as surface blasters might find it more difficult to get certified since the proposed regulation requires them to meet more stringent first-aid training standards than under the existing regulation.

## **Effects on the Use and Value of Private Property**

The proposed regulation will affect businesses involved in mineral mining. To the extent that more stringent requirements make it more expensive for firms to hire surface blasters, it will raise costs and lower the asset value of these businesses.